

U. S. Agricultural Trade Office

Oficina Agro Comercial USA

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Dear Food Industry Executive:

On behalf of the US Department of Agriculture, the Agricultural Trade Office (ATO) is pleased to endorse the 7th International Show for the Hospitality Industry, **EXPHOTEL 2003**, the most complete and important trade event in the Caribbean region. The show will take place **June 11-13, 2003, at the Convention Center in Cancun, Quintana Roo, Mexico**. The US Department of Agriculture welcomes your company's participation in the sixth US Pavilion organized at this show.

At EXPHOTEL '02, over 5,500 key contacts from the hospitality industry, including, hotels, restaurants, industrial cafeterias, bars, and discos visited the show. This year's show is expected to be an even greater success. If you are interested in showcasing your company's products at the hospitality industry's most important exhibition in the Caribbean, this is the show for you.

Complete background information on the show, including a fact sheet on the Mexican market, booth costs, a layout of the US Pavilion and a registration form for reserving booth space are enclosed. **NOTE: The registration form, alone, will not reserve your space, so please fill out the enclosed form and return it along with a US dollar check to the Agricultural Trade Office not later than April 15, 2003.** If you have any questions about the show, please contact Lourdes Guzman at the Agricultural Trade Office in Mexico City. Her contact information follows:

Ms. Lourdes Guzman
Jaime Balmes No. 8-201
11510 Mexico, D.F.
Tel: (011-52-55) 5080-2000 ext. 4752
Fax: (011-52-55) 5281-6093
E-mail: Lourdes.Guzman@usda.gov

Join us at EXPHOTEL 2003 in promoting the finest selection of top-quality US food and service industry products available in the marketplace. Booth space in the US Pavilion is limited, so please send in your registration form and check today. If you have any questions about EXPHOTEL 2003 or the Mexican market, please do not hesitate to contact our office by phone or by fax.

Sincerely,

Bruce Zanin

Bruce Zanin
Director

Attachments as Stated

US PAVILION BOOTH PACKAGE FOR EXPHOTEL 2003 CANCUN, Q. ROO, JUNE 11-13, 2003

The US Pavilion Exhibitor Package Includes:

- ? Four exhibitor badges per booth
- ? One listing in EXPHOTEL's official show directory
- ? Three wall panels
- ? Carpeting
- ? One slim light 2 x 38 watts lamp
- ? A polarized 500 watt power outlet
- ? Garbage basket
- ? Company name sign in black 3" high letters
- ? Access to loading and unloading area
- ? General lighting
- ? 24 hour security
- ? Free admittance to technical conferences and specialized seminars

Booth Costs:

There are two types of booths in the pavilion. Exhibitors may select as many booths as they need at the following prices. Refer to the attached US Pavilion layout to identify your location.

- | | |
|--|-------------------|
| ? BOOTH A (10 ft. x 10 ft.) | = USD \$1,900.00* |
| ? BOOTH D (20 ft. x 10 ft.)
(only includes booth 118-D) | = USD \$5,700.00* |

***Please ADD 15 percent IVA (value added tax) to these prices when making your check**

Additional Services:

- ? The Agricultural Trade Office (ATO) will provide hands-on assistance to exhibitors in the US Pavilion and will have an information booth in the US Pavilion for show visitors.
- ? The ATO will organize a pre-show briefing on the Mexican market.
- ? The ATO will host a trade reception in honor of the exhibitors in the US Pavilion, and a breakfast seminar, if funds are available.

MEXICAN MARKET OVERVIEW & OPPORTUNITIES FOR THE HOTEL, RESTAURANT AND TOURISM SECTORS

Market Overview

Mexico, with its large and growing population, stable economy, liberalized import policy and ideal geographic location, is a dynamic market for exports of top quality US food and agricultural products. From 1995 to 2001, the total value of US exports of food and agricultural products to Mexico swelled over 100 percent, from US \$3.8 billion to \$7.8 billion. Growth in the sales of consumer-ready products accounted for 58 percent of that impressive increase, surging from US \$952 million to US \$3.2 billion, representing an average annual growth of 23 percent, according to the US Bureau of the Census. Among the US consumer-ready products exported to Mexico in 2001, pet foods and snacks increased their exports levels by over 50 percent, followed in order of importance by dairy products, red meats, fresh fruit, processed fruit and vegetables, tree nuts, wine & beer, fresh vegetables and poultry meat.

Some of the Best Food Product Opportunities for the Tourism Industry

- | | |
|-------------------------------|---|
| ? Beef cuts and variety meats | ? Fresh and processed fruits and vegetables |
| ? Dairy products | ? Alcoholic beverages |
| ? Seafood and products | ? Non-alcoholic beverages |
| ? Snacks | ? Vegetable oils |
| ? Food ingredients | ? Frozen products |
| ? Fruit and vegetable juices | ? Sugar and sweeteners |
| ? Sauces and other condiments | ? Herbs and spices |

The hotel, restaurant and tourism industries are a largely untapped goldmine of opportunities for US exporters of value-added, consumer-ready and frozen food products. The Mexican tourism industry is ranked seventh in the world with respect to the volume of visitors, and sixteenth with respect to tourism-generated income. Mexico is one of the world's principal tourist destinations, with 20.6 million tourists visiting Mexico in 2000 representing a 37 percent increase from 1995. Spending by visitors increased 34 percent from US\$231.70 to US\$311.80 per capita. Eighty percent of these tourists come from the United States, five percent from Canada, five percent from Europe and the balance from other countries.

Quintana Roo alone, generates around 30 percent of the total foreign currency income from tourism into Mexico, and represents great potential for the food service industry. It is mainly represented by Cancun, the Mayan Riviera, Isla Mujeres, and Cozumel and receives over 5 million visitors annually. It has 49,971 rooms currently available and it will continue to grow at an average of 3,000 rooms per year for the next few years. There are around 580 restaurants registered with the CANIRAC (National Food and Beverage Association in Cancun), and a similar number is estimated to exist but they are considered inexpensive establishments. Also, there are around 300 additional restaurants located within the hotels. The average restaurant consumption varies from \$40 to \$250 per person. It is estimated an average expense per trip per person of \$720 dollars. With 5 million visitors a year, total expenditure reaches around \$3.6 billion dollars per year. Of this total, around one-third percent or \$1.2 billion is spent in restaurants.

Major Products Prohibited Entry into Mexico

No US food products are prohibited entry to the Mexican market, as long as appropriate Government of Mexico health and/or sanitary certificates are included as needed. Your customs broker will be able to inform you as to which products require special certification.

**US PAVILION BOOTH APPLICATION FORM
FOR EXPHOTEL 2003
CANCUN, Q. ROO, JUNE 11-13, 2003**

COMPANY INFORMATION FOR REGISTRATION & SHOW DIRECTORY

FIRM NAME _____

ADDRESS _____

CITY _____ STATE _____ ZIP CODE _____

TELEPHONE _____ FAX _____ E-MAIL _____

KEY CONTACT _____ TITLE _____

SELECTION OF US PAVILION SPACE

Please refer to the floor plan of the US Pavilion to select your first, second and third choices for booth(s) location(s). The booth sizes and prices are listed on the previous page. Booth assignments will be made on a first paid, first-choice basis. If none of your selected choices are available, the Agricultural Trade Office **(ATO)** will select the closest booth that is available from those designated on the previous page. In case all the booths in the US Pavilion have already been reserved at the time we receive your reservation form and check, we will notify you directly and return your check to you. **PLEASE FAMILIARIZE YOURSELF WITH THE ATTACHED "TERMS AND CONDITIONS" FOR PARTICIPATING IN THE US PAVILION PRIOR TO SUBMITTING THIS FORM AND YOUR CHECK TO THE ATO.**

	BOOTH(S) LETTER(S)/NUMBER(S)	PER BOOTH COST(S)	TOTAL COST (USD)
1ST CHOICE	_____	_____	_____
2ND CHOICE	_____	_____	_____
3RD CHOICE	_____	_____	_____
		SUB TOTAL	_____
		(X) 15 % IVA TAX	_____
		TOTAL (USD)	_____

Make your US denominated check for the above total amount payable to **TRADE SHOW, S.A. DE C.V.**
Mail this registration form and your check by overnight mail to the following address:

Bruce Zanin, *Director*
US Agricultural Trade Office
Jaime Balmes No. 8 - 201
Col. Los Morales Polanco
11510 Mexico, D.F.

NOTE: Upon confirmation by the ATO of your booth assignment in the US Pavilion, we will send you contact information for freight forwarders and customs brokers. Under separate cover, EXPHOTEL will send you an Exhibitor's Guide.

DEADLINE FOR REGISTRATION FORM & CHECK IS APRIL 15, 2003

TERMS AND CONDITIONS FOR PARTICIPATING IN THE US PAVILION AT EXPHOTEL 2003

Upon acceptance of your completed reservation form and full booth payment by the Agricultural Trade Office (ATO), the following "Terms and Conditions" will be in effect and are subject to such additions or changes as may be made by the US Department of Agriculture's (USDA) Trade Show Office or the ATO. Exhibitors will be promptly advised of any changes or additions.

USDA agrees to:

1. Provide the participant with the standard booth package as described in the US Pavilion Booth Package narrative.
2. Follow the booth assignment procedure described in the "US Pavilion Booth Application Form." USDA reserves the right to rearrange the floor plan at any time and/or relocate exhibitors should it become necessary or advisable in the best interest of show management.
3. Provide information on consolidated shipment providers, as well as for vendors of specialized booth equipment, furnishings and other show services.
4. Issue a full refund to all participants, if the show is canceled. If exhibitor decides to cancel its participation in the show, the EXPHOTEL show organizers will refund to the exhibitor a portion of the total amount paid according to the refund schedule below, as long as the show organizers receive confirmation of the cancellation, in writing, in accordance with the following dates:

<u>Cancellation date:</u>	<u>Amount refunded to exhibitor</u>
<u>On or before April 11, 2003</u>	<u>100% of total booth(s) payment</u>
<u>April 12 - April 18, 2003</u>	<u>50% of total booth(s) payment</u>
<u>April 21 - April 30, 2003</u>	<u>25% of total booth(s) payment</u>
<u>After April 30, 2003</u>	<u>00% of total booth(s) payment</u>

The Exhibitor agrees to:

1. Promote and display only products consisting of at least 50 percent agriculture and/or food ingredients of US origin computed on a value or volume basis. Product labels must indicate that the products were either produced or processed in the United States. Show management has the authority to remove any non-US products from an exhibitor's booth.
2. Accept the location of their assigned booth within the US Pavilion with the understanding that assignments will be made according to the booth location preference indicated on the exhibitor's application form, if possible.
3. Use the booth decoration and design supplied by the USDA Trade Show Office unless written permission is received from the USDA authorizing alterations to the booth design.
4. Pay the cost of any booth personnel, equipment, or services ordered from any service provider. Payment for all services must be made at the time the services are requested, unless otherwise stated. Outstanding obligations preclude participation in future USDA trade shows.
5. Share the assigned booth with no more than one other exhibitor. Note: USDA will authorize no more than two companies to be listed on the booth fascia board and permit no more than two companies to be represented in the booth. All companies must be properly identified on the booth reservation form.
6. Refrain from subleasing the booth; in the case of State Departments of Agriculture, state or regional trade groups, and USDA market development cooperators, booths may be subleased to their members with the approval of the USDA Trade Show Office.
7. Provide a qualified sales representative during the entire show.
8. Display only products for which the participant is authorized to negotiate commercial sales.
9. Strictly observe the regulations prohibiting sales of product samples during the show.
10. Refrain from dismantling booth before the close of the show on June 13, 2003.
11. Refrain from shipping any cargo deemed hazardous (i.e., aerosol cans) by the International Air Transport Association.
12. Release the US Government, its agents and officers, of liability for any losses due to participation in EXPHOTEL 2003. This refers in particular to late product shipments, in-transit damage, loss of product samples, and unauthorized removal of equipment or supplies at the end of the exhibit.
13. Arrange and pay for the transport of product samples, promotional materials, or equipment back to the United States after the show. Exhibitors may release any remaining product samples to show management for donation to local charities.
14. Complete all questions on the exhibitor evaluation survey, including those pertaining to projected sales, which will be distributed by the Trade Show Coordinator near the end of the show. This information is used on a confidential basis to determine the cost effectiveness of USDA trade show activities.

Please note: Show management is empowered to expel from the show any exhibitor who does not fully comply with the above "Terms and Conditions," or with either the General Exhibitor Regulations or the Installation and Decoration Regulations as specified in the EXPHOTEL contract.

